

TO: The President's Advisory Panel on Federal Tax Reform
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PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM
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SUMMARY

1. Federal functions and expenditures need to be limited to those authorized by our constitution.
2. Since appropriate federal activities affect all citizens alike, all citizens must financially support those activities directly.
3. Earned income is the best measure to determine each citizen's appropriate support of federal expenditures. The result is a flat percentage tax without qualifications.

Robert E. Seeds

From Robert E. Seeds June 05, 2005

FEDERAL INCOME TAX REVISION

I. Fundamentals

Although my wife and I will likely not be greatly affected by changes in our income tax that may be achieved in the near future (I am 83, my wife 77), we believe that we know what it is right to do. And it is really simple:

1. Money that will enable our federal government to perform its constitutional duties must be acquired. Federal income and expenditures that are not for constitutionally authorized functions should not be considered or adopted.

Amazingly, adherence to our constitution will so simplify the problem that the solution will become easy to find

2. Citizens of the United States are obliged to support financially their federal government's constitutional duties; not anything else, just what the constitution requires of our federal government. That support acknowledges their participation in, and contribution to, our society, and the protective benefits they receive from our government

II. Appropriate Action

1. Every federal government function, activity, and expenditure must be examined for conformity to constitutional obligations; when not in conformity, they should be eliminated. Non-conforming expenditures seem to be a major part of our "need" for federal income. The activities and expenditures authorized are, of course, only those that benefit our general population

- 2 Since such expenditures benefit all our citizens, all our citizens should contribute. The only useful measure of how contributions should be determined is each individual's earned income,-- the measure of his active participation in, and contribution to, our society.

A flat percentage tax rate will, of course, produce different dollar contributions from individuals according to the benefits they receive (earned income) through their contributions to our society.

Credits to individuals should be eliminated. Each individual should support our government, and benefit from their contribution to our society as do all others.

2. The federal tax system must be simple and easily understood by every citizen. That is far from the situation today. Taxes on businesses that result in retail price increases are one outstanding example (the consumer pays the taxes, not the retailer) of the completely unnecessary confusion (and expense) built into our tax system today. Therefore, federal taxes on businesses must be eliminated. Support of our federal government should be provided by individual citizens.

III Communications

The foregoing principles and major actions are so important that there must be appropriate communication action to develop good understanding in our general population.